Hughes Is Absent For Arraignment On Stock Charges

Post 1/26/79

RENO, Nev., Jan. 25 (AP)—Billionaire Howard Hughes failed to appear for arraignment on stock manipulation charges in federal court today. The judge said he will decide next Wednesday whether to issue a bench warrant for Hughes' arrest.

Hughes, charged with four other men, is living in seclusion in the Bahamas. He could be declared a fugitive if he ignored a bench warrant.

U.S. District Court Judge Bruce Thompson said he would rule on the bench warrant after hearing pre-trial motions for dismissal of the indictment against Hughes and the others.

The four others, Robert Maheu, Chester C. Davis, James H. Nall and David B. Charney, appeared for arraignment today, but only Maheu entered a plea.

Maheu pleaded innocent to seven counts of a federal indictment charging stock manipulation in connection with Hughes' purchase of Air West Airlines. He was ordered released on a $10,000 personal recognizance bond.

The other three defendants accepted Thompson's offer to delay pleas until after he rules on the dismissal motion next (Maheu) stole me blind."

Morton Galane, Maheu's attorney, said his client entered his plea so he could be free to pursue his $17.3 million libel suit against Hughes in federal court in Los Angeles.

Maheu sued Hughes after a telephone news conference in Los Angeles. During the conference a voice, purported to be that of Hughes, said, "He (Maheu) stole me blind."

Thompson said Maheu would not have to appear in court next week for the dismissal arguments, but would benefit if the motions were successful.

Before today's arraignment, a move to postpone the proceedings was denied by the Ninth U.S. Circuit Court of Appeals in San Francisco.

In a separate move, defense attorneys for Hughes, Davis and Nall appealed to Supreme Court Justice William O. Douglas for a writ which would have stopped the arraignment, but it was denied.

The motion for dismissal, filed here Tuesday, contended the court lacked jurisdiction and challenged the validity of the indictment.

The five were indicted by a federal grand jury in Las Vegas Dec. 27. The action stemmed from a year-long Securities and Exchange Commission investigation.

The indictment contends there was a conspiracy to pressure directors of Air West to sell to Hughes between June 1 and Dec. 31, 1968, the day the sale was made final.

Hughes is accused of authorizing Davis and Maheu to unlawfully manipulate the market price of Air West stock by depressing the value of the stock and threatening lawsuits against directors opposed to the sale.

Maheu is the former head of Hughes' Nevada operations; Davis is a New York attorney and counsel to Hughes' Summa Corp., Nall is a Hughes employee in New York, and Charney is president of Four Star Productions in Los Angeles.